Deloitte
Haskins + Sells

Chartered Accountants

CITY OF SARNIA

1985

FINANCIAL STATEMENTS

CORPORATION OF THE CITY OF SARNIA

1985

January 1 - November 30, 1985	December 1 - 31, 1985
Mayor - Marceil Saddy	Mayor - Marceil Saddy
Aldermen - Douglas Bain	Aldermen - Douglas Bain
Marcella Brown	Michael Bradley
Ronald Gordon	Al Brogden
June Lasenby	Ronald Gordon
Patrick O'Brien	Bernice Rade
Donald Poore	Wills Rawana
Bernice Rade	Michael Stark
Wills Rawana	Elizabeth Wood

CITY ADMINISTRATION

City Manager	J. Robertson
Co-ordinator of Social Services and Executive Assistant to the City Manager	R. Larsen
Development Co-ordinator and Executive Assistant to the City Manager	J. Graham
Commissioner of Works (Acting)	D. Patterson
City Solicitor	G. Gillespie
Commissioner of Finance and Treasurer	R. Brooks
City Clerk	A. Tuplin
Director of Accounting and Deputy-Treasurer	D. Anderson
Director of Community Planning and Renewal	R. Draker
Director of Personnel	J. Barker
Director of Community Family Services	L. Geres
Administrator of Parks and Recreation	T. Brenner
Administrator of Marshall Gowland Manor	I. Sparks
Chief of Police	R. Cook
Fire Chief	G. Hansen
Transit Manager	L. Oliver

SARNIA POLICE COMMISSION

F. Allison, Chairman
J. Matheson
Mayor M. Saddy
Alderman M. Brown
D. Kelley, Secretary

BOARD OF SARNIA PUBLIC LIBRARY AND ART GALLERY

G. Young, Chairman
H. Ford, Secretary-Treasurer
R. Adams
P. Brown
M. Lannon
Alderman J. Lasenby
D. Longwell
R. Sykes
L. Tod
J. Wing, Q.C.

CORPORATION OF THE CITY OF SARNIA

1985

THE PARKING AUTHORITY OF THE CITY OF SARNIA

K. Parkinson, Chairman
L. Mason
R. Moore
D. Thain, Manager

BOARD OF MANAGEMENT FOR THE SARNIA DOWNTOWN IMPROVEMENT AREA

J. Leaver, Chairman
B. Brownlee, Executive Director
O. Friedman
Alderman R. Gordon
D. Keddy
J. Kohlmeier
A. Long
R. Moore
D. Rogelstad
W. Steele

BOARD OF MANAGEMENT FOR THE SARNIA NORTHGATE BUSINESS IMPROVEMENT AREA

H. Keddy, Chairman
Alderman M. Stark, Vice- Chairman
E. Kenny - Co-ordinator
B. Atkinson, Secretary
H. Vorts, Treasurer
Alderman D. Bain
P. Goudreau
J. Maczko

GENERAL HOSPITAL COMMISSION

C. Watson, Chairman
P. Hill, Vice-Chairman
Reverend D. Clarke
E. Curran
Dr. W. Doyle
A. Emerton
Alderman R. Gordon
Dr. A. Kohlmeier
Dr. I. Pokorny
Alderman B. Rade
S. Wilk
R. Yates

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF SARNIA

J. Harris, Chairman
M. Church, Vice-Chairman
R. Herter, Secretary-Treasurer
Mayor M. Saddy
H. Turnbull
J. Vanderheide

AUDITORS

Deloitte Haskins & Sells

CORPORATION OF THE CITY OF SARNIA

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Deloitte
Haskins+Sells

Chartered Accountants

301 Front Street North
Sarnia, Ontario N7T 5S6
(519) 336-6133

To the Members of Council, Inhabitants and
Ratepayers of the Corporation of the
City of Sarnia:

We have examined the consolidated balance sheet of the Corporation of the City of Sarnia as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Sarnia as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Deloitte Haskins & Sells

Auditors

May 6, 1986
Licence #1113

CORPORATION OF THE CITY

CONSOLIDATED STATEMENT OF

YEAR ENDED DECEMBER 31

SOURCES OF FINANCING:	1985	1984
TAXATION AND USER CHARGES		
Residential taxation	$ 19,898,936	$ 19,323,702
Commercial, industrial and business taxation	17,397,208	16,302,121
Taxation from other governments	1,105,102	1,092,397
Deduct: Amounts received or receivable for school boards	(17,017,789)	(16,008,444)
Net municipal taxation	21,383,457	20,709,776
Fees, service charges and donations	9,404,098	7,726,708
GRANTS		
Government of Canada	408,819	324,545
Province of Ontario	10,469,179	9,434,288
OTHER		
Contribution from developers	68,222	51,432
Investment income	853,328	907,831
Penalty and interest on taxes	232,925	386,725
Other	40,016	117,379
PROCEEDS FROM THE ISSUE OF LONG-TERM LIABILITIES	5,035	1,989,995
	42,865,079	41,648,679
MUNICIPAL FUND BALANCES, BEGINNING OF YEAR (Note 10)		
To be used to offset (recovered from) taxation or user charges	556,755	(246,731)
Unexpended capital financing	427,807	3,761
	984,562	(242,970)
TOTAL FINANCING AVAILABLE DURING THE YEAR	$ 43,849,641	$ 41,405,709

The accompanying notes are an integral part of this financial statement.

CORPORATION OF THE CITY OF SARNIA

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1984		1985	1984
		APPLIED TO:		
		EXPENDITURES (Notes 3, 9, and 12)		
936	$ 19,323,702	General government	$ 2,934,230	$ 2,867,8
208	16,302,121	Protection to persons and property	9,188,169	8,673,1
102	1,092,397	Transportation services	7,832,109	6,896,2
789)	(16,008,444)	Environmental services	8,479,876	8,221,1
		Health services	216,195	193,3
457	20,709,776	Social and family services	6,848,457	6,299,3
098	7,726,708	Recreation and cultural services	5,393,084	4,542,4
		Planning and development	2,467,134	2,595,2
		Hydro services	250,250	-
319	324,545			
179	9,434,288		43,609,504	40,288,8
		NET APPROPRIATIONS TO RESERVES AND RESERVE FUNDS	97,650	132,2
		TRANSFER OF ONTARIO HOME RENEWAL PROGRAM TO TRUST		
222	51,432	FUND (Note 13)	399,364	-
928	907,831			
925	386,725	MUNICIPAL FUND BALANCES, END OF YEAR (Note 10)		
916	117,379	To be used to offset taxation and user charges	173,693	556,7
		(Capital operations not yet financed) unexpended		
035	1,989,995	capital financing	(430,570)	427,8
079	41,648,679		(256,877)	984,5
255	(246,731)			
007	3,761			
762	(242,970)			
641	$ 41,405,709	TOTAL APPLICATIONS DURING THE YEAR	$43,849,641	$41,405,7

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CORPORATION OF THE CITY OF SARNIA

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1985

	1985	1984
ASSETS		
UNRESTRICTED		
Cash and short-term deposits	$ 2,862,700	$ 3,317,214
Taxes receivable	786,962	1,076,207
Accounts receivable	2,548,906	2,449,027
Other current assets	303,902	307,570
Long-term receivables (Note 5)	772,746	760,001
	7,275,216	7,910,019
RESTRICTED		
Cash	999,635	580,479
Accounts receivable	875,630	1,262,412
Long-term receivables	-	213,132
Investment in own debentures	857,000	980,000
	2,732,265	3,036,023
CAPITAL OUTLAY FINANCED BY LONG-TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS	17,626,006	19,636,677
	$27,633,487	$30,582,719
LIABILITIES		
CURRENT LIABILITIES		
Temporary loans (Note 6)	$ 856,037	$ 1,195,233
Accounts payable and accrued charges	3,178,075	2,610,203
Other current liabilities	96,466	119,914
	4,130,578	3,925,350
NET LONG-TERM LIABILITIES (Note 9)	17,626,006	19,636,677
	21,756,584	23,562,027
FUND BALANCES		
FUND BALANCES, END OF YEAR		
To be used to offset (recovered from) taxation or user charges (Note 10)	173,693	556,755
(Capital operations not yet permanently financed) unexpended capital financing	(430,570)	427,807
	(256,877)	984,562
Reserves (Note 11)	4,336,139	4,427,009
Reserve funds (Note 11)	1,797,641	1,609,121
	5,876,903	7,020,692
	$27,633,487	$30,582,719

The accompanying notes are an integral part of this financial statement.

CORPORATION OF THE CITY OF SARNIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the accounting principles generally accepted for Ontario municipalities, and reflect the following policies:

Basis of consolidation

(i) Consolidated balance sheet

This statement reflects the assets and liabilities of the revenue fund, reserves, reserve funds and capital fund and includes the activities of all committees of Council and the following local boards, municipal enterprises and utilities which are under the control of council:

Sarnia Public Library and Art Gallery Board
Sarnia Northgate Business Improvement Area
Sarnia Downtown Improvement Area
The Parking Authority of the City of Sarnia
Huron View Park Committee
Sarnia Transit
Sarnia Waterworks

All interfund assets and liabilities are eliminated with the exception of loans or advances between the reserve funds and other funds of the municipality.

(ii) Consolidated statement of operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the municipality and those local boards, municipal enterprises and utilities described above.

All interfund sources of financing and expenditures are eliminated with the exception of interest income and expenditures arising from loans and advances between the reserve funds and other funds of the municipality.

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(iii) Non-consolidated entities

For those local boards, joint boards, municipal enterprises and utilities of the municipality which are not consolidated, the consolidated balance sheet does not reflect their assets or liabilities except to the extent of amounts due to or from those entities. The consolidated statement of operations does not reflect their sources of financing and expenditures except to the extent of the municipality's contribution to those entities.

Those entities which are not consolidated are as follows:

Sarnia Hydro-Electric Commission
Sarnia General Hospital Commission
The Lambton Health Unit
Sarnia/Lambton Economic Development Commission

(iv) Accounting for school board transactions

The taxation and other revenues with respect to the operations of the school boards are reflected in the consolidated statement of operations but with no effect on the municipal fund balances since the total is shown as a deduction.

In addition the expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements except to the extent that overlevies are reported on the consolidated balance sheet as other current liabilities.

(v) Trust funds and their related operations administered by the municipality are not consolidated but are reported separately on the trust funds statement of continuity and balance sheet.

1. SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of accounting

(i) Charges for net long-term liabilities

Sources of financing and expenditure are reported on the accrual basis of accounting with the exception of principal and interest charges on long-term liabilities which are charged against operations in the period in which they are paid. The principal and interest charges are not accrued for the period from the date of the latest instalment payment to the end of the financial year.

(ii) Accrual accounting

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Fixed assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the consolidated statement of operations in the year of acquisition. For those fixed assets financed by the issue of long-term indebtedness, the principal and interest on the long-term indebtedness are also reported on the consolidated statement of operations as they are paid.

(iv) Capital outlay to be recovered in future years

Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the consolidated balance sheet.

2. OPERATIONS OF SCHOOL BOARDS

Further to Note 1 basis of consolidation (iv), the taxation, other revenues, expenditures and overlevies of the school boards are comprised of the following:

	1985	1984
Taxation	$16,708,096	$15,845,760
Payments in lieu taxation	398,046	162,684
Amounts received or receivable	17,106,142	16,008,444
Requisitions	17,109,816	16,036,680
Underlevies for the year	3,674	28,236
Overlevies, beginning of the year	4,212	32,448
Overlevies, end of the year	$ 538	$ 4,212

These revenues and expenditures are not reflected in the consolidated statement of operations.

The overlevies at the end of the year are reported as other current liabilities on the consolidated balance sheet.

3. CONTRIBUTIONS TO NON-CONSOLIDATED ENTITIES

Further to Note 1 basis of consolidation (iii), the assets and liabilities of non-consolidated joint boards have not been consolidated and are not reported on the consolidated balance sheet except to the extent of the long-term liabilities to be recovered from general taxation.

The operations of these joint boards have also not been consolidated. The consolidated statement of operations include only the following contributions made by the municipality to those boards:

	1985	1984
The Lambton Health Unit	$210,252	$187,057
Sarnia/Lambton Economic Development Commission	116,443	90,480
	$326,695	$277,537

3. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT BOARDS - continued

The municipality is contingently liable for its share, which is approximately 40%, of the accumulated deficits as at the end of the year for certain of these boards. The municipality's share of the accumulated surpluses (deficits) of these joint boards is as follows:

	1985	1984
The Lambton Health Unit	$ 6,169	$ 2,335
Sarnia/Lambton Economic Development Commission	(1,576)	(1,047)
	$ 4,593	$ 1,288

The municipality would also be contingently liable for its share of long-term liabilities issued by other municipalities for these boards but none has been issued on their behalf.

4. TRUST FUNDS

Trust funds administered by the municipality amounting to $529,961 (1984 - $171,657) have not been included in the consolidated balance sheet nor have their operations been included in the consolidated statement of operations.

5. LONG-TERM RECEIVABLES

	1985	1984
Loan receivable, non-interest bearing with annual instalments of $10,000 per annum to 1989	$ 40,000	$ -
Mortgage receivable, 10.5%, payable in annual instalments including principal and interest of $38,270, due September 26, 1998	264,947	274,405
Mortgage receivable, due in annual instalments commencing July 15, 1979 of $5,000 and increasing 4.5% each successive instalment with a final instalment due July 15, 2018. Provided instalments are made when due, no interest is payable thereon. The mortgage may be discharged, in whole or in part, at the option of the mortgagor at any time in the amount of the present value of the future instalment payments calculated at the lowest rate of interest charged by the municipality's bankers to the municipality on the date of such payment. This mortgage is shown in the accompanying balance sheet at actual amount of future instalment payments	495,054	501,565
	800,001	775,970
Current portion included in unrestricted accounts receivable	27,255	15,969
	$772,746	$760,001

6. TEMPORARY LOANS

The revenue fund borrows operating capital from its reserve funds. These loans are due on demand and are secured by a charge on the revenues of the municipality.

7. LIABILITY FOR PAST SERVICE PROVISION OF PENSION AGREEMENTS

Under the past service provision of pension agreements, the municipality is obligated at December 31, 1985 for an amount of approximately $1,495,600 (1984 - $1,644,700) as established for the plans. No provision has been made for this liability. The balance of this liability will be funded by annual payments of $280,652 for the years 1986 - 1991 and $271,590 for 1992 and $73,552 for 1993. An amount of $280,652 (1984 - $280,652) has been provided for in the current year and is reported on the consolidated statement of operations.

8. LIABILITY FOR VESTED SICK LEAVE BENEFITS

The municipality has a liability to their employees for vested sick leave benefits. For members of the Firefighter's Association, Police Association and employees of the Sarnia Public Library and Art Gallery, unused sick leave can be accumulated and employees may become entitled to a cash payment when they leave the municipality's employment. For all other staff, the sick leave benefit plan was terminated prior to 1980, at which time the unused sick leave was frozen with payout due when the employee leaves the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to $2,899,387 (1984 - $2,751,420) at the end of the year. An amount of $342,892 (1984 - $296,996) has been provided for this liability and is reported on the consolidated balance sheet. An amount of $196,063 (1984 - $268,294) has been provided for in the current year and is reported on the consolidated statement of operations of which $152,763 (1984 - $226,794) was directly paid to employees on termination and the remainder $43,300 (1984 - $41,500) was contributed to the sick leave reserve.

9. NET LONG-TERM LIABILITIES

	1985	1984
(a) The balance of net long-term liabilities reported on the consolidated balance sheet is made up of the following:		
. Total long-term liabilities incurred by the municipality including those incurred on behalf of school boards and municipal enterprises and outstanding at the end of the year amount to	$18,342,826	$20,839,207
. Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by school boards. At the end of the year, the outstanding principal amount of this liability is	(386,235)	(835,702)

9. NET LONG-TERM LIABILITIES - continued

	1985	1984
• Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by unconsolidated local boards, municipal enterprises and utilities. At the end of the year, the outstanding principal amount of this liability is	(321,600)	(357,500)
• Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for shoreline property assistance loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	(8,985)	(9,328)
• Net long-term liabilities, end of year	$17,626,006	$19,636,677

(b) Of the net long-term liabilities reported in (a) of this note, $8,088,905 in principal payments are payable from 1986 to 1990, $1,867,283 from 1991 to 1995 and $1,738 thereafter and are summarized as follows:

	1986 to 1990	1991 to 1995	1996 and thereafter
From general municipal revenues	$7,514,206	$1,848,009	$ -
From benefitting landowners	440,926	18,906	1,738
From consolidated municipal enterprises	133,773	368	-
	$8,088,905	$1,867,283	$ 1,738

In addition, net long-term liabilities under the Downtown Revitalization Program in the amount of $7,668,080 are repayable from incremental taxes, ground rents and share of profits as recovered from the development projects.

(c) Included in net long-term liabilities on the consolidated balance sheet is an amount of $294,000 (1984-$421,000) payable in United States dollars which was converted into Canadian dollars at the rate of exchange prevailing when the liability was incurred. If the liability is converted into Canadian dollars at the exchange rate prevailing at December 31, 1985 the liability would be increased by $117,100 (1984-$135,309).

(d) Approval of the Ontario Municipal Board (or approval by private legislation) has been obtained for the long-term liabilities reported on the consolidated balance sheet.

(e) The municipality is contingently liable for long-term liabilities with respect to shoreline property assistance loans and for those for which the responsibility for the payment of principal and interest has been assumed by school boards, unconsolidated local boards, municipal enterprises and utilities. The total amount outstanding as at December 31, 1985 is $716,820 (1984 - $1,202,530) and is not recorded on the consolidated balance sheet.

9. NET LONG-TERM LIABILITIES - continued

(f) Total charges for the year for net long-term liabilities which are reported on the consolidated statement of operations are as follows:

	1985	1984
Principal payments	$2,052,452	$2,394,461
Interest	1,464,160	1,494,979
	$3,516,612	$3,889,440

Of the total charges shown above $3,429,946 (1984 - $3,802,608) was paid from general municipal revenues of the municipality and included in expenditures on the consolidated statement of operations classified under the appropriate functional headings. The remaining $86,666 (1984 - $86,832) was recovered from non-consolidated entities or from individuals in the case of shoreline property assistance loans and are not reflected in these statements.

(g) No provision has been made in these financial statements for the accrual of interest on the net long-term liabilities. Had this provision been made as at December 31, 1985, the municipal fund balances would have been decreased by $383,899 (1984 - $448,556).

10. MUNICIPAL FUND BALANCES, END OF YEAR

(a) The balance on the consolidated statement of operations of municipal deficit of $256,877 (1984 - surplus of $984,562) at the end of the year is comprised of the following:

	1985	1984
To be used to offset (recovered from) taxation or user charges		
- for general reduction of taxation	$ 139,540	$498,449
- for general reduction of user charges	51,080	67,490
- for benefitting landowners related to special charges and special areas	(16,927)	(9,184)
	173,693	556,755
(Capital operations not yet permanently financed) unexpended capital financing		
- acquisition of fixed assets to be recovered through taxation or user charges	(253,749)	(360,386)
- acquisition of fixed assets to be financed from the proceeds of long-term liabilities	(1,357,438)	(528,448)
- acquisition of fixed assets to be financed by other sources	(249)	(6,752)
- funds available for acquisition of fixed assets	420,865	547,423
- funds available for the acquisition of fixed assets upon the collection, in future years, of a mortgage receivable (Note 6)	760,001	775,970
	(430,570)	427,807
	$ (256,877)	$984,562

10. MUNICIPAL FUND BALANCES, END OF YEAR - continued

(b) Approval of the Ontario Municipal Board has been obtained for the pending issues of long-term liabilities and for those commitments to be financed from revenues beyond the term of Council except for the remaining unfinanced portion of data processing equipment($170,624) and telephone equipment ($83,125) for which the Ontario Municipal Board has advised the municipality that their approval was not required.

11. RESERVES AND RESERVE FUNDS

The total balance of reserve and reserve funds of $4,336,139 (1984 - $4,427,009) and $1,797,641 (1984 - $1,609,121) respectively are made up of the following:

	1985	1984
Reserves		
Set aside for specific purpose by Council		
- Working capital	$ 329,717	$ 329,717
- Sick leave benefits	342,892	296,996
- Workers compensation	566,247	440,278
- Equipment replacement	839,496	878,594
- Capital projects	433,270	547,297
- Water rates stabilization	342,812	-
- Other	552,963	511,385
	3,407,397	3,004,267
Set aside for specific purpose by legislation, regulation or agreement		
- Waterworks system update	928,742	1,422,742
	$4,336,139	$4,427,009
Reserve funds		
Set aside for specific purpose by Council		
- For acquisition of fixed assets	$ 512,304	$ 288,610
- For park and recreation programs and facilities	-	17,454
- For library programs and facilities	197,644	172,273
- For Facade Improvement Loan Program	120,000	-
	829,948	478,337
Set aside for specific purpose by legislation, regulation or agreement		
- For park purposes	56,012	25,642
- For loans under the Ontario Home Renewal Program	-	399,364
- Subdivision development	302,311	258,753
- For parking lot acquisition	608,791	444,335
- Debt retirement exchange rate stabilization	579	2,690
	967,693	1,130,784
	$1,797,641	$1,609,121

12. CONTRACTUAL OBLIGATIONS - MINISTRY OF THE ENVIRONMENT

In accordance with a service agreement entered into by the municipality in 1969 with the Ministry of the Environment, the existing water system is owned and operated by the ministry. The municipality is obligated to meet all operating costs and repay the long-term liabilities related to this project.

Included in the consolidated statement of operations are the 1985 charges from the ministry for water $2,810,431. The consolidated balance sheet does not reflect any assets or liabilities pertaining to the water system except to the extent of service charges due to (or from) the ministry.

Information received from the ministry as at March 31, 1985, indicates the following:

	Accumulated net (deficit)	1985 debt charges	Total outstanding long-term liabilities
Water system	$(3,549,000)	$1,339,000	$14,053,000

The operating deficit and long-term liabilities indicated above are not reflected in the accompanying financial statements.

13. ONTARIO HOME RENEWAL PROGRAM

In prior years, the assets, liabilities, revenues and expenditures of the Ontario Home Renewal Program were included in these consolidated financial statements as a reserve fund. On January 1, 1985, in compliance with the amendment to Ontario Regulation 506/80, the fund balance of the Ontario Home Renewal Program which amounted to $399,364 was transferred to the trust fund.

14. TRANSFER FROM SYSTEM UPDATE WATER RESERVE

In 1985, the municipality received approval from the Ontario Municipal Board for transfer of $494,000 from the system update water reserve in order to finance watermain projects.

15. MUNICIPAL BOUNDARY

In May 1982, the municipality applied for the initiation of procedures under the Municipal Boundary Negotiations Act, 1981. The process has been ongoing since that time with a resolution anticipated in 1986. The effect that this resolution may have on the ongoing operations of the municipality is presently indeterminable.

16. OUTSTANDING LITIGATION

a) The municipality is pursuing entitlement of $2,000,000 from the County of Lambton as a portion of the $4,000,000 sale proceeds from the former county buildings on Christina Street. In 1986 the Ontario Court of Appeal confirmed the Supreme Court decision in favour of the municipality which, together with interest, totals approximately $3,805,000. The financial statements do not recognize this gain as the County of Lambton has indicated an intention to appeal the decision to the Supreme Court of Canada.

b) The municipality has been named defendent in certain legal actions. The final liability, if any, of these claims is indeterminable as the municipality has established defence actions and further, in the opinion of legal counsel and the City's insurance adjustors, should any claims be successful they would be subject to material coverage by the municipality's policies of insurance.

17. COMPARATIVE AMOUNTS

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

CORPORATION OF THE CITY OF SARNIA — SCHEDULE A

ANALYSIS OF CURRENT OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985 Budget	1985 Actual	1984 Actual
SOURCES OF FINANCING:			
Net municipal taxation	$21,379,929	$21,383,457	$20,709,776
Fees, service charges and donations	8,718,744	9,126,067	7,687,053
Grants			
Government of Canada	102,664	408,819	324,545
Province of Ontario	9,126,908	9,757,220	8,998,515
Other			
Investment income	657,000	773,348	884,756
Penalty and interest on taxes	210,000	232,925	386,725
Other	21,000	17,947	29,669
	40,216,245	41,699,783	39,021,039
Municipal fund balances, beginning of year			
General municipal	485,000	492,396	164,743
Waterworks	(122,500)	(4,147)	(457,339)
Library	3,000	7,070	43,343
Huron View Park Committee	-	(1,017)	(1,017)
Sarnia Downtown Improvement Area	-	(9,184)	(2,642)
Parking Authority	-	71,637	6,181
	365,500	556,755	(246,731)
TOTAL FINANCING AVAILABLE DURING YEAR	$40,581,745	$42,256,538	$38,774,308
APPLIED TO:			
Expenditures			
General government	$ 2,723,795	$ 2,893,081	$ 2,676,629
Protection to persons and property	8,666,963	8,781,163	8,142,607
Transportation services	6,371,389	6,575,234	5,707,454
Environmental services	7,025,471	6,936,292	6,918,677
Health services	216,232	216,195	193,355
Social and family services	6,111,566	6,760,668	6,238,613
Recreation and cultural services	4,276,927	4,494,380	4,261,615
Planning and development	2,456,246	2,406,320	2,519,275
	37,848,589	39,063,333	36,658,225
Net appropriations to other funds			
Capital operations	1,506,559	1,911,943	1,029,495
Reserve and reserve funds	1,226,597	1,107,569	529,833
	2,733,156	3,019,512	1,559,328
Municipal fund balance, end of year			
General municipal	-	143,418	492,396
Waterworks	-	-	(4,147)
Library	-	(2,861)	7,070
Huron View Park Committee	-	(1,017)	(1,017)
Sarnia Downtown Improvement Area	-	(16,614)	(9,184)
Sarnia Northgate Business Improvement Area	-	(313)	-
Parking Authority	-	51,080	71,637
	-	173,693	556,755
TOTAL APPLICATIONS DURING THE YEAR	$40,581,745	$42,256,538	$38,774,308

SCHEDULE B

CORPORATION OF THE CITY OF SARNIA

ANALYSIS OF CAPITAL OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
SOURCE OF FUNDS		
Long-term liabilities incurred	$ 5,035	$1,989,995
Ontario grants	711,959	435,773
Other	298,003	117,421
Appropriations from other funds		
Current operations	1,911,943	1,029,495
Reserve funds	809,812	554,283
	3,736,752	4,126,967
EXPENDITURES		
General government	90,107	312,623
Protection to persons and property	407,006	530,560
Transportation services	1,256,875	1,188,799
Environmental services	1,543,584	1,302,498
Social and family services	87,789	60,755
Recreation and cultural services	898,704	280,795
Planning and development	60,814	26,891
Hydro services	250,250	-
	4,595,129	3,702,921
EXCESS OF (EXPENDITURES OVER FINANCING) FINANCING OVER EXPENDITURES	(858,377)	424,046
UNEXPENDED CAPITAL FINANCING, BEGINNING OF YEAR	427,807	3,761
(CAPITAL OPERATIONS NOT YET PERMANENTLY FINANCED) UNEXPENDED CAPITAL FINANCING, END OF YEAR	$ (430,570)	$ 427,807

SCHEDULE C-1

CORPORATION OF THE CITY OF SARNIA

SARNIA TRANSIT

ANALYSIS OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985 Budget	1985 Actual	1984 Actual
REVENUE			
Regular passenger service	$ 776,794	$ 757,707	$ 716,071
Charter, sightseeing and other	13,500	14,041	12,069
Advertising	27,675	29,115	23,500
Other municipalities	250,921	266,919	246,535
Transfer from reserves	-	36,902	17,875
Other	-	272	214
	1,068,890	1,104,956	1,016,264
EXPENDITURES			
Operations			
Transportation	1,131,764	1,158,048	1,113,298
Fuel and garage	460,751	457,714	397,050
Equipment and vehicle maintenance	507,612	518,952	469,451
General and administrative	207,785	192,085	183,930
Total operating expenses	2,307,912	2,326,799	2,163,729
Capital expenditure out of current revenue	48,300	46,288	-
Transfer to reserve and reserve fund	18,805	43,742	45,400
Principal payment on long-term debt	103,120	103,120	94,650
Interest payments on long-term debt	31,088	31,088	40,215
TOTAL EXPENDITURES	2,509,225	2,551,037	2,343,994
EXCESS OF (EXPENDITURE OVER REVENUE) FOR THE YEAR	(1,440,335)	(1,446,081)	(1,327,730)
MUNICIPAL CONTRIBUTIONS FINANCED BY			
Ministry of Transportation and Communications	596,387	631,764	530,838
General revenue	843,948	814,317	796,892
	1,440,335	1,446,081	1,327,730
ACCUMULATED NET REVENUE (DEFICIT), BEGINNING OF YEAR	-	-	-
ACCUMULATED NET REVENUE (DEFICIT), END OF YEAR	$ -	$ -	$ -

SCHEDULE C-2

CORPORATION OF THE CITY OF SARNIA

SARNIA TRANSIT

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES

YEAR ENDED DECEMBER 31, 1985

	1985	1984
ASSETS		
CURRENT ASSETS		
Cash	$ 500	$ 500
Accounts receivable		
Other municipalities	34,802	26,907
Other	53,611	43,154
Own municipality	108,127	93,056
	197,040	163,617
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS	225,750	328,870
	$422,790	$492,487
LIABILITIES		
CURRENT LIABILITIES		
Other current liabilities	$ 36,100	$ 15,215
LONG-TERM DEBT FINANCED BY MUNICIPALITY	225,750	328,870
	261,850	344,085
FUND BALANCES		
RESERVES - Schedule C-4	160,940	155,154
CAPITAL OPERATIONS NOT YET PERMANENTLY FINANCED - Schedule C-3	-	(6,752)
	160,940	148,402
	$422,790	$492,487

SCHEDULE C-3

CORPORATION OF THE CITY OF SARNIA

SARNIA TRANSIT

ANALYSIS OF CAPITAL OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
CAPITAL OPERATIONS NOT YET PERMANENTLY FINANCED, BEGINNING OF YEAR	$ 6,752	$ -
CAPITAL EXPENDITURE		
Equipment	19,243	2,103
Vehicles	29,887	42,566
Shelters	15,600	-
TOTAL EXPENDITURE	64,730	44,669
CAPITAL FINANCING		
Contribution from revenue fund	46,288	-
Contribution from reserves	1,054	2,103
Grants	17,140	21,283
Donations	7,000	14,531
TOTAL CAPITAL FINANCING	71,482	37,917
CAPITAL OPERATIONS NOT YET PERMANENTLY FINANCED, END OF YEAR	$ -	$ 6,752

SCHEDULE C-4

CORPORATION OF THE CITY OF SARNIA

SARNIA TRANSIT

ANALYSIS OF RESERVES

YEAR ENDED DECEMBER 31, 1985

	1985						1984
	Uncompleted Projects	Transfer Tickets	Uniforms	Motor Buses	Garage Equipment	Total	Total
BALANCE, BEGINNING OF YEAR	$21,500	$ 7,225	$12,909	$104,847	$8,673	$155,154	$129,732
REVENUE							
Contribution from revenue fund	17,578	9,843	8,962	7,342	17	43,742	45,400
EXPENDITURE							
Transfer to current fund	22,023	4,854	10,025	-	-	36,902	17,875
Transfer to capital fund	-	-	-	-	1,054	1,054	2,103
	22,023	4,854	10,025	-	1,054	37,956	19,978
BALANCE, END OF YEAR	$17,055	$12,214	$11,846	$112,189	$7,636	$160,940	$155,154

SCHEDULE D-1

CORPORATION OF THE CITY OF SARNIA

SARNIA WATERWORKS

ANALYSIS OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985 Budget	1985 Actual	1984 Actual
REVENUE			
Sale of water	$ 3,920,900	$ 4,017,835	$ 3,256,738
Investment income	130,000	137,180	208,884
Other revenue	11,800	16,489	12,307
Transfer from reserve	494,000	629,185	565,646
	4,556,700	4,800,689	4,043,575
EXPENDITURE			
Operations			
Water supply	2,945,200	2,810,431	2,604,791
Water transmission and distribution	639,700	566,403	513,254
Administration	345,200	345,200	338,063
Operating expenditures	3,930,100	3,722,034	3,456,108
Watermain construction	494,000	623,514	107,999
Equipment purchase	-	5,671	-
Transfer to reserves	-	92,439	16,781
Principal payments on long-term debt	7,100	7,073	5,884
Interest payments on long-term debt	3,000	2,999	3,611
TOTAL EXPENDITURES	4,434,200	4,453,730	3,590,383
EXCESS OF REVENUE OVER EXPENDITURE	122,500	346,959	453,192
ACCUMULATED NET REVENUE (DEFICIT), BEGINNING OF YEAR	(122,500)	(4,147)	(457,339)
	-	342,812	(4,147)
TRANSFER SURPLUS FOR YEAR TO RESERVE FOR RATE STABILIZATION	-	342,812	-
ACCUMULATED NET REVENUE (DEFICIT), END OF YEAR	$ -	$ -	$ (4,147)

SCHEDULE D-2

CORPORATION OF THE CITY OF SARNIA

SARNIA WATERWORKS

SCHEDULE OF ASSETS, LIABILITY AND FUND BALANCES

YEAR ENDED DECEMBER 31, 1985

	1985	1984
ASSETS		
CURRENT ASSETS		
Cash	$ 56,747	$ 52,519
Accounts receivable		
Sale of water	11,519	2,356
Own municipality	642,335	728,427
Other	27,971	31,057
Current portion of investments in own municipality	129,000	114,000
	867,572	928,359
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS	22,755	29,828
INVESTMENTS IN OWN MUNICIPALITY LESS CURRENTLY MATURING PORTION	714,000	843,000
	$1,604,327	$1,801,187
LIABILITY		
LONG-TERM DEBT FINANCED BY MUNICIPALITY	$ 22,755	$ 29,828
FUND BALANCES		
RESERVES - Schedule D-3	$1,581,572	$1,775,506
ACCUMULATED DEFICIT	-	(4,147)
	1,581,572	1,771,359
	$1,604,327	$1,801,187

SCHEDULE D-3

CORPORATION OF THE CITY OF SARNIA

SARNIA WATERWORKS

ANALYSIS OF RESERVES

YEAR ENDED DECEMBER 31, 1985

	1985					1984
	Equipment Replacement	Systems Update	Uncompleted Construction	Rates Stabilization	Total	Total
BALANCE, BEGINNING OF YEAR	$172,238	$1,422,741	$180,527	$ -	$1,775,506	$2,324,371
REVENUE						
Contribution from revenue fund	13,689	-	78,750	342,812	435,251	16,781
	185,927	1,422,741	259,277	342,812	2,210,757	2,341,152
EXPENDITURE						
Transfer to current fund	5,671	494,000	129,514	-	629,185	565,646
BALANCE, END OF YEAR	$180,256	$ 928,741	$129,963	$342,812	$1,581,572	$1,775,506

Deloitte
Haskins + Sells

Chartered Accountants

301 Front Street North
Sarnia, Ontario N7T 5S6
(519) 336-6133

To the Members of Council, Inhabitants and
Ratepayers of the Corporation of the
City of Sarnia:

We have examined the trust funds balance sheet of the Corporation of the City of Sarnia as at December 31, 1985 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

Residents' deposits included as capital receipts in the Home for Aged Residents Trust Fund are derived from various sources of income of the residents and are not susceptible to audit verification. Accordingly, our verification of receipts from residents' deposits was limited to accounting for the receipts recorded in the books and records of the trust fund.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had residents' deposits been susceptible to complete audit verification, these financial statements present fairly the financial position of the trust funds of the Corporation of the City of Sarnia as at December 31, 1985 and the continuity of trust funds for the year then ended in accordance with the accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Deloitte Haskins & Sells

Auditors

May 6, 1986
Licence #1113

CORPORATION OF THE

TRUST FU

STATEMENT OF C

YEAR ENDED DECEMB

	Home for Aged Residents	Home for Aged Memorial	Province of Ont Downtown Revitalization
CAPITAL RECEIPTS			
Residents' deposits	$1,101,263	$ -	$ -
Donations	-	5,173	-
Developer's deposit	-	-	-
Transfer from reserve fund (Note 2)	-	-	-
INTEREST EARNED			
Investment income	11,878	165	336
Ontario Home Renewal Program loans	-	-	-
	1,113,141	5,338	336
EXPENDITURES			
Payments for residents	1,154,175	-	-
Payments to Province of Ontario	-	-	336
Payments to developers	-	-	-
Contribution to revenue fund	-	-	-
Contribution to capital fund	-	8,870	5,035
Ontario Home Renewal Plan			
- loans forgiven	-	-	-
- direct charge administration	-	-	-
- provision for uncollectable loans	-	-	-
	1,154,175	8,870	5,371
INCREASE (DECREASE) IN FUND BALANCES	(41,034)	(3,532)	(5,035)
FUND BALANCES, BEGINNING OF YEAR	160,451	3,564	5,035
FUND BALANCES, END OF YEAR	$ 119,417	$ 32	$ -

BALANCE SHEET

DECEMBER 31, 1985

ASSETS			
Cash	$ 155,337	$ 476	$ -
Accrued interest	2,706	-	-
Loans receivable	-	-	-
Due from revenue fund	-	-	-
	158,043	476	-
Long-term loans receivable	-	-	-
	$ 158,043	$ 476	$ -
LIABILITIES			
Due to revenue fund	$ 38,626	$ 444	$ -
Fund balances, end of year	119,417	32	-
	$ 158,043	$ 476	$ -

The accompanying notes are an integral part of these financial statements.

PORATION OF THE CITY OF SARNIA

TRUST FUNDS

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 1985

1985					1984
Province of Ontario Downtown Revitalization	Ontario Home Renewal Program	Downtown Association	Lawrence House Restoration	Total	Total
$ -	$ -	$ -	$ -	$1,101,263	$ 977,988
-	-	-	228,010	233,183	306
-	-	-	-	-	50,000
-	399,364	-	-	399,364	-
336	7,241	58	1,316	20,994	14,289
-	7,540	-	-	7,540	-
336	414,145	58	229,326	1,762,344	1,042,583
-	-	-	-	1,154,175	997,629
336	-	-	-	336	1,070
-	-	-	-	-	50,583
-	-	2,665	-	2,665	600
5,035	-	-	175,189	189,094	24,449
-	35,359	-	-	35,359	-
-	1,513	-	-	1,513	-
-	20,898	-	-	20,898	-
5,371	57,770	2,665	175,189	1,404,040	1,074,331
(5,035)	356,375	(2,607)	54,137	358,304	(31,748)
5,035	-	2,607	-	171,657	203,405
$ -	$356,375	$ -	$ 54,137	$ 529,961	$ 171,657

BALANCE SHEET

DECEMBER 31, 1985

$ -	$157,891	$ -	$135,849	$ 449,553	$ 110,310
-	-	-	-	2,706	-
-	46,000	-	-	46,000	-
-	1,291	-	-	1,291	61,347
-	205,182	-	135,849	499,550	171,657
-	151,193	-	-	151,193	-
$ -	$356,375	$ -	$135,849	$ 650,743	$ 171,657
$ -	$ -	$ -	$ 81,712	$ 120,782	$ -
-	356,375	-	54,137	529,961	171,657
$ -	$356,375	$ -	$135,849	$ 650,743	$ 171,657

ents.

CORPORATION OF THE CITY OF SARNIA

TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICY

The financial statements have been prepared in accordance with the accounting principles generally accepted for Ontario municipalities and reflect the following policy:

Basis of accounting

These financial statements are prepared using the accrual basis of accounting. Revenues are recognized as they become available and measurable and expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

2. ONTARIO HOME RENEWAL PROGRAM

In prior years the assets, liabilities, receipts and expenditures of the Ontario Home Renewal Program were included in the reserve fund and were a part of the financial statements of the municipality. On January 1, 1985, in compliance with Ontario regulation 506/80, the Ontario Home Renewal Program fund balance of $399,364 was transferred to the trust funds.

Deloitte
Haskins+Sells

Chartered Accountants

301 Front Street North
Sarnia, Ontario N7T 5S6
(519) 336-6133

To the Chairman and Members of the Board of the
Sarnia Public Library and Art Gallery:

We have examined the balance sheet of the Sarnia Public Library and Art Gallery as at December 31, 1985 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Sarnia Public Library and Art Gallery as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles generally accepted for Ontario Municipalities applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Auditors

March 3, 1986
Licence # 1113

SARNIA PUBLIC LIBRARY AND A

STATEMENT OF OPERATI

YEAR ENDED DECEMBER 31

	1985	1984
SOURCES OF FINANCING:		
GRANTS		
Province of Ontario	$ 212,866	$ 166,121
City of Sarnia	1,205,793	1,135,378
Regional library system	41,715	47,519
	1,460,374	1,349,018
OTHER		
Fines, memberships, rentals and services	91,377	100,720
Donations	10,607	4,488
Interest	18,003	22,354
NET APPROPRIATIONS FROM RESERVE AND RESERVE FUNDS	-	9,616
LIBRARY FUND BALANCES, BEGINNING OF YEAR		
To be used to offset City of Sarnia grant	7,070	43,343
Unapplied capital receipts	-	17,629
	$1,587,431	$1,547,168

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The accompanying notes are an integral part of this financial statement.

ARNIA PUBLIC LIBRARY AND ART GALLERY

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

1984		1985 Library	1985 Art Gallery	1985 Total	1984 Total
	APPLIED TO:				
	CURRENT OPERATIONS				
$ 166,121	Art exhibit	$ -	$ 3,936	$ 3,936	$ 7,201
1,135,378	Art gallery operating expenses	-	22,759	22,759	23,897
47,519	Awards and payments to artists	8,155	15,038	23,193	17,742
	Books	192,668	4,415	197,083	230,970
1,349,018	Fringe benefits	91,666	23,331	114,997	105,312
	Insurance	6,031	2,011	8,042	7,891
	Maintenance	37,941	12,647	50,588	41,591
100,720	Non-print materials	14,891	14,910	29,801	32,814
4,488	Other supplies	34,932	11,644	46,576	44,918
22,354	Periodicals and newspapers	12,020	233	12,253	11,944
	Professional fees	3,904	1,301	5,205	3,650
9,616	Salaries and wages	744,773	125,285	870,058	840,830
	Telephone	3,901	1,950	5,851	8,407
	Termination gratuities	-	-	-	13,653
43,343	Utilities	38,321	12,773	51,094	54,017
17,629	Vehicle operations	11,766	3,922	15,688	15,641
		$1,200,969	$256,155	1,457,124	1,460,478
	CAPITAL				
	Building	$ 32,469	$ 10,823	43,292	-
	Furniture and equipment	17,820	5,939	23,759	64,958
	Lawrence House	-	-	-	6,320
	Paintings	-	23,150	23,150	8,342
		$ 50,289	$ 39,912	90,201	79,620
	NET APPROPRIATIONS TO RESERVE AND RESERVE FUNDS			42,967	-
	LIBRARY FUND BALANCE, END OF YEAR (To be recovered from) to offset City of Sarnia grant			(2,861)	7,070
$1,547,168				$1,587,431	$1,547,168

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SARNIA PUBLIC LIBRARY AND ART GALLERY

BALANCE SHEET

DECEMBER 31, 1985

	1985	1984
ASSETS		
UNRESTRICTED		
Cash	$ 83,609	$ 85,171
Accounts receivable	13,017	780
Prepaid expenses	20,482	19,431
	117,108	105,382
RESTRICTED		
Cash	203,364	175,983
Accounts receivable	162	20
Prepaid expenses	-	430
	203,526	176,433
	$320,634	$281,815
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	$ 56,585	$ 50,261
Accounts payable to City of Sarnia	2,444	226
Deferred revenue (Note 2)	6,503	9,262
	65,532	59,749
FUND BALANCES		
FUND BALANCES, END OF YEAR		
(To be recovered from) to offset City of Sarnia grant	(2,861)	7,070
Reserves - Schedule 2	60,319	42,723
Reserve funds - Schedule 2	197,644	172,273
	255,102	222,066
	$320,634	$281,815

The accompanying notes are an integral part of this financial statement.

SARNIA PUBLIC LIBRARY AND ART GALLERY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted for Ontario municipalities and reflect the following policies:

Accrual accounting

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and creation of a legal obligation to pay.

Fixed assets

The historical cost and accumulated depreciation for fixed assets are not recorded for library purposes. Fixed assets are reported as an expenditure on the statement of operations in the year of acquisition. For those fixed assets financed or to be financed by the issue of long-term indebtedness, the principal and interest on the long-term indebtedness are also reported on the statement of operations as they are incurred.

Balance sheet

This statement reflects the assets and liabilities of the revenue fund, capital fund and reserve funds. All interfund assets and liabilities are eliminated with the exception of loans or advances between the reserve funds and other funds of the library.

Statement of operations

This statement reflects the sources of financing and expenditures of the revenue fund, reserve, reserve funds and capital fund. All interfund sources of financing and expenditures are eliminated with the exception of interest income and expenditures arising from loans and advances between the reserve funds and other funds of the library.

2. DEFERRED REVENUE

	1985	1984
Regional library system	$1,073	$5,038
Ticket sales	4,530	3,324
Ontario Art council grant	900	900
	$6,503	$9,262

3. LIABILITY FOR SICK LEAVE

Unused sick leave can accumulate and salaried employees may become entitled to a cash payment when they leave the board's employment. The liability for these accumulated days, to the extent they have vested and could be taken in cash by a salaried employee on terminating, amounted to approximately $70,800 at December 31, 1985 (1984 - $71,483). A reserve has been established by the board for the purpose of funding this liability and the reserve balance was $60,319 at December 31, 1985 (1984 - $42,723).

4. LIABILITY FOR PAST SERVICE PROVISIONS OF PENSION AGREEMENTS

Based on actuarial estimates, past service costs not yet charged against earnings as at December 31, 1985 amount to $41,329. These costs are being funded and amortized over 6 years with principal and interest amounting to $9,062 per year.

5. COMMITTMENT

The Library has contracted for the instalation of an elevator for a total cost of $124,801 of which $25,977 had been spent by December 31, 1985. The cost of the elevator will be financed approximately as follows:

Wintario grant	$ 62,401
City of Sarnia capital grant	25,000
Contribution from building reserve fund	37,400
	$124,801

SCHEDULE 1

SARNIA PUBLIC LIBRARY AND ART GALLERY

ANALYSIS OF CAPITAL OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
SOURCES OF FUNDS		
Province of Ontario grant	$13,000	$ -
Contributions from revenue fund	54,051	35,089
Contributions from reserve funds	23,150	26,902
	90,201	61,991
EXPENDITURE		
Furniture and equipment		
Computer	12,594	-
Fire alarm system	-	18,560
Telephone system	6,287	14,103
Track lighting	-	17,270
Other	4,878	15,025
Paintings	23,150	8,342
Lawrence House	-	6,320
Building		
Furnace and heating system	17,315	-
Elevator	25,977	-
	90,201	79,620
EXCESS OF EXPENDITURE OVER FINANCING	-	17,629
UNAPPLIED CAPITAL RECEIPTS, BEGINNING OF YEAR	-	17,629
UNAPPLIED CAPITAL RECEIPTS, END OF YEAR	$ -	$ -

SARNIA PUBLIC LIBRARY AND ART

RESERVE AND RESERVE FUND

SCHEDULE OF REVENUE AND EXPE

YEAR ENDED DECEMBER 31,

	Book Fund	Piano Fund	Sick Le Reser
BALANCE, BEGINNING OF YEAR	$64,601	$27,820	$42,
REVENUE			
Contribution from revenue fund	-	-	15,
Donations	157	-	
Interest earned	4,216	1,816	2,
Ministry of Citizenship and Culture grants	10,000	-	
Ontario Arts Council grant	-	-	
Rent and sale of art	-	-	
Ticket sales	-	-	
	14,373	1,816	17,
EXPENDITURE			
Art exhibit	-	-	
Art gallery operating expenses	-	-	
Awards and payments to artists	-	-	
Books and library materials	2,531	-	
Contribution to capital fund	-	-	
Salaries and fringe benefits	-	-	
Termination gratuities	-	-	
	2,531	-	
BALANCE, END OF YEAR	$76,443	$29,636	$60,

ARNIA PUBLIC LIBRARY AND ART GALLERY

SCHEDULE 2

RESERVE AND RESERVE FUNDS

SCHEDULE OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985								1984
ok Fund	Piano Fund	Sick Leave Reserve	Art Gallery Fund	Building Fund	Concert Fund	Art Acquisition Fund	OAC Art Fund	Total	Total
64,601	$27,820	$42,723	$ 4,952	$32,179	$3,409	$39,255	$ 57	$214,996	$224,612
-	-	15,000	-	-	-	-	-	15,000	15,000
157	-	-	-	-	-	10,000	-	10,157	3,583
4,216	1,816	2,596	65	2,190	460	1,796	28	13,167	14,982
10,000	-	-	36,747	-	-	15,000	-	61,747	35,677
-	-	-	-	-	1,500	-	15,000	16,500	8,700
-	-	-	-	-	-	14,569	-	14,569	13,238
-	-	-	-	-	6,344	-	-	6,344	5,335
14,373	1,816	17,596	36,812	2,190	8,304	41,365	15,028	137,484	96,515
-	-	-	-	-	-	-	8,256	8,256	7,201
-	-	-	22,759	-	-	-	-	22,759	23,897
-	-	-	-	-	8,155	15,038	-	23,193	17,742
2,531	-	-	-	-	-	-	-	2,531	-
-	-	-	-	-	-	23,150	-	23,150	26,902
-	-	-	14,628	-	-	-	-	14,628	16,736
-	-	-	-	-	-	-	-	-	13,653
2,531	-	-	37,387	-	8,155	38,188	8,256	94,517	106,131
76,443	$29,636	$60,319	$ 4,377	$34,369	$ 3,558	$42,432	$ 6,829	$257,963	$214,996

Deloitte
Haskins + Sells

Chartered Accountants

301 Front Street North
Sarnia, Ontario N7T 5S6
(519) 336-6133

To the Members of
The Parking Authority of the City of Sarnia:

We have examined the balance sheet of The Parking Authority of the City of Sarnia as at December 31, 1985 and the statements of revenue and expenses and of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Parking Authority of the City of Sarnia as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Auditors

February 14, 1986
Licence #1113

THE PARKING AUTHORITY OF THE CITY OF SARNIA

STATEMENT OF REVENUE AND EXPENSE

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
REVENUE			
Street meters	$153,000	$158,170	$153,183
Parking lots - Schedule 1	114,600	122,562	119,147
Violations	85,000	80,055	86,564
Summons	45,000	59,841	68,697
Investment income	3,500	6,400	5,309
Rentals	250	842	373
Token program	200	120	170
Miscellaneous	250	1,175	853
Parking reserve fund (Note 2)	-	-	20,000
	401,800	429,165	454,296
EXPENSE			
Parking lot - Schedule 1	125,860	119,909	113,719
Operating and administrative - Schedule 2	206,140	206,651	189,464
Principal and interest charges on long-term liablities	48,000	47,725	48,670
Vandalism protection - meters	3,000	3,800	30,806
	383,800	378,085	382,659
EXCESS OF REVENUE OVER EXPENSE	$ 18,800	51,080	71,637
FUND BALANCE, BEGINNING OF YEAR		71,637	6,181
		122,717	77,818
PAYMENTS TO CITY OF SARNIA (Note 2)		71,637	6,181
FUND BALANCE, END OF YEAR (Note 2)		$ 51,080	$ 71,637

THE PARKING AUTHORITY OF THE CITY OF SARNIA

BALANCE SHEET

DECEMBER 31, 1985

	1985	1984
ASSETS		
CURRENT ASSETS		
Cash	$ 20,444	$ 16,877
Short-term deposits	41,000	61,000
Accounts receivable	9,512	12,187
Prepaid expense	-	45
	70,956	90,109
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS	122,000	155,000
	$192,956	$245,109
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable and accrued charges		
City of Sarnia	$ 14,081	$ 14,045
Other	5,795	4,427
	19,876	18,472
LONG-TERM LIABILITIES	122,000	155,000
	141,876	173,472
FUND BALANCE (Note 2)	51,080	71,637
	$192,956	$245,109

Approved by the Authority:

.....

.....

THE PARKING AUTHORITY OF THE CITY OF SARNIA

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1985

	1985	1984
OPERATING ACTIVITIES		
Cash provided by operations:		
Excess of revenue over expense	$ 51,080	$ 71,637
Cash provided by (used for) changes in the following operational balances:		
Accounts receivable	2,675	(9,203)
Prepaid expenses	45	(45)
Accounts payable	1,404	(29,357)
Fund balance - payment to City of Sarnia (Note 2)	(71,637)	(6,181)
	(67,513)	(44,786)
(DECREASE) INCREASE IN CASH	(16,433)	26,851
CASH, BEGINNING OF YEAR	77,877	51,026
CASH, END OF YEAR	$ 61,444	$ 77,877
Cash consists of:		
Cash	$ 20,444	$ 16,877
Short-term deposits	41,000	61,000
	$ 61,444	$ 77,877

THE PARKING AUTHORITY OF THE CITY OF SARNIA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles considered appropriate for boards of Ontario municipalities. Such accounting principles are similar to accounting principles for Ontario municipalities as prescribed by the Ministry of Municipal Affairs and Housing, Ontario. The accounting principles include the following policies:

Recognition of revenue

Revenue from meters, parking lots, violations and summons are recognized when collected.

Capital outlay to be recovered in future years

The historic cost and accumulated depreciation of fixed assets is not reported for municipal purposes. Instead, the "Capital outlay to be recovered in future years" which represents the oustanding principal portion of unmatured long-term liabilities for municipal enterprises is reported on the balance sheet.

Charges for long-term liabilities

The Parking Authority assumed payment responsibility for certain long-term liabilities of the City of Sarnia. The debt retirement costs including principal and interest are charged against current revenues in the periods in which they are paid. Interest charges are not accrued for the periods from the date of the latest interest payment to the end of the financial year.

2. FUND BALANCE

Under the terms of the By-law of the City of Sarnia which established The Parking Authority the excess of revenue over expense for each year must be transferred in the following year to the Parking Reserve Fund of the City of Sarnia.

During 1984, the City returned $20,000 from the Parking Reserve Fund to the Parking Authority to fund the purchase of vandal-proof meters.

3. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Authority's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to $12,676 at the end of the year. An amount of $21,956 (1984 - $18,656) has been provided for this past service liability and is maintained, in accordance with the by-law setting up the Authority, by the City of Sarnia.

During the year, $3,300 (1984 - $1,500) which is included in wage expense, was provided to the City of Sarnia to fund the liability.

4. RELATED PARTY

The Parking Authority was established under a by-law of the City of Sarnia. The City of Sarnia performs certain payroll accounting functions for the Parking Authority for which they charged $600 (1984 - $600).

Rental costs totalling $6,000 (1984 - $6,000) were paid to the City of Sarnia for accomodations.

The Parking Authority was indebted to the City of Sarnia at December 31, 1985 in the amount of $14,081 relating primarily to December payroll.

THE PARKING AUTHORITY OF THE CI

SCHEDULE OF PARKING LOT REVE

YEAR ENDED DECEMBER 31,

	CNR Lot	Mitton St. Lot	Victoria St. Lot
REVENUE			
Meters	$ -	$6,501	$ -
Lot	3,047	-	42,007
Rentals	1,125	-	9,047
	4,172	6,501	51,054
EXPENSE			
Attendant wages and benefits	-	-	27,599
Hydro	486	1,607	2,056
Improvements	-	-	-
Maintenance	115	205	1,107
Meters	-	907	-
Rentals	1,500	-	-
Taxes	1,653	2,430	12,462
Winter control	607	718	2,747
	4,361	5,867	45,971
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	$ (189)	$ 634	$ 5,083

SCHEDULE 1

KING AUTHORITY OF THE CITY OF SARNIA

E OF PARKING LOT REVENUE AND EXPENSE

YEAR ENDED DECEMBER 31, 1985

tton St. Lot	Victoria St. Lot	Julia St. Lot	Vendome Lot	Charlotte St. Lot	Parkway Lot	1985 Total	1984 Total
$6,501	$ -	$ 7,974	$22,391	$ 5,855	$ 15,582	$ 58,303	$ 53,446
-	42,007	-	-	-	-	45,054	47,079
-	9,047	460	3,119	5,454	-	19,205	18,622
6,501	51,054	8,434	25,510	11,309	15,582	122,562	119,147
-	27,599	-	-	-	-	27,599	25,707
1,607	2,056	80	202	284	186	4,901	4,828
-	-	-	-	-	953	953	7,108
205	1,107	-	219	199	431	2,276	2,684
907	-	853	848	807	907	4,322	609
-	-	-	-	-	-	1,500	1,800
2,430	12,462	692	18,805	1,291	31,267	68,600	66,240
718	2,747	863	1,931	1,384	1,508	9,758	4,743
5,867	45,971	2,488	22,005	3,965	35,252	119,909	113,719
$ 634	$ 5,083	$ 5,946	$ 3,505	$ 7,344	$(19,670)	$ 2,653	$ 5,428

SCHEDULE 2

THE PARKING AUTHORITY OF THE CITY OF SARNIA

SCHEDULE OF OPERATING AND ADMINISTRATIVE EXPENSE

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
Operating			
Employee benefits	$ 11,450	$ 11,402	$ 10,457
Equipment maintenance	4,050	836	6,371
Meter repair and maintenance	5,400	13,327	7,278
Printing	2,800	3,360	1,802
Small tools	150	131	176
Street markings	3,000	2,938	2,684
Uniforms	1,500	1,989	745
Wages	71,900	69,565	63,058
	100,250	103,548	92,571
Administrative			
Advertising	400	97	457
Bank charges	175	194	83
Business tax	365	331	320
Employee benefits	12,050	11,998	10,389
Memberships and travel	1,800	1,501	940
Miscellaneous	1,650	1,702	2,084
Office - cleaning and maintenance	1,900	1,668	1,673
- rental	6,000	6,000	6,000
- supplies	5,200	4,683	5,454
- utilities	2,350	2,910	1,150
Professional fees	3,000	2,822	2,400
Security system	450	326	1,200
Services supplied by municipality	950	985	1,011
Telephone	1,100	1,052	1,090
Wages	68,500	66,834	62,642
	105,890	103,103	96,893
	$206,140	$206,651	$189,464

Deloitte
Haskins + Sells

Chartered Accountants

301 Front Street North
Sarnia, Ontario N7T 5S6
(519) 336-6133

To the Board of Management of the
Sarnia Downtown Improvement Area:

We have examined the balance sheet of the Sarnia Downtown Improvement Area as at December 31, 1985 and the statement of revenue and expenditure, general account and statement of continuity, trust account for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Sarnia Downtown Improvement Area as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Auditors
March 14, 1986
Licence #1113

SARNIA DOWNTOWN IMPROVEMENT AREA

STATEMENT OF REVENUE AND EXPENDITURE

GENERAL ACCOUNT

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
DEFICIT, BEGINNING OF YEAR	$ -	$ 9,184	$ 2,642
REVENUE			
Special tax levied	98,124	98,127	93,847
Uncollectible levy	-	(2,547)	(1,927)
Merchant co-op	-	-	4,371
	98,124	95,580	96,291
EXPENDITURE - Schedule 1			
Administration	43,144	44,770	40,893
Promotion	35,580	44,216	51,921
Projects	17,900	13,419	7,519
Contingency	1,500	605	2,500
	98,124	103,010	102,833
DEFICIT, END OF YEAR	$ -	$ 16,614	$ 9,184

SARNIA DOWNTOWN IMPROVEMENT AREA

STATEMENT OF CONTINUITY

TRUST ACCOUNT

YEAR ENDED DECEMBER 31, 1985

	1985	1984
SURPLUS, BEGINNING OF YEAR	$2,607	$2,398
INTEREST EARNED	58	209
	2,665	2,607
TRANSFER TO GENERAL ACCOUNT TO OFFSET CHRISTMAS LIGHTS EXPENDITURE	2,665	-
SURPLUS, END OF YEAR	$ -	$2,607

SARNIA DOWNTOWN IMPROVEMENT AREA

BALANCE SHEET

DECEMBER 31, 1985

ASSETS

	1985	1984
CURRENT ASSETS		
Cash and term deposits		
General accounts	$ 3,309	$ 366
Trust account (Note 2)	-	2,607
Accounts receivable	2,952	1,769
Levy receivable	2,858	7,970
Prepaid expenses	255	255
	$ 9,374	$12,967

LIABILITIES AND SURPLUS (DEFICIT)

CURRENT LIABILITIES		
Accounts payable and accrued charges	$ 25,988	$19,544
SURPLUS (DEFICIT)		
General account	(16,614)	(9,184)
Trust account	-	2,607
	(16,614)	(6,577)
	$ 9,374	$12,967

SARNIA DOWNTOWN IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICY

The financial statements have been prepared in accordance with accounting principles considered appropriate for boards of Ontario municipalities. Such accounting principles are similar to accounting principles for Ontario municipalities as prescribed by the Ministry of Municipal Affairs, Ontario. The accounting principles include the following:

Basis of accounting

These financial statements are prepared using the accrual basis of accounting. Revenues are recognized as they become available and measurable and expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

The association receives various grants or other revenues to fund or as the result of specific projects or promotions. These revenues are recorded as a direct reduction of the expenditures applicable to those projects or promotions.

Equipment

Purchases of equipment are charged as an expenditure in the year of acquisition.

2. OPERATIONS

The Sarnia Downtown Improvement Area was established under By-Law #7480 of the Council of the City of Sarnia. Funding for the Sarnia Downtown Improvement Area is principally derived from a special tax levied by the City of Sarnia.

3. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

SCHEDULE 1

SARNIA DOWNTOWN IMPROVEMENT AREA

SCHEDULE OF EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
ADMINISTRATION			
Audit	$ 900	$ 850	$ 1,750
Communications	650	441	-
Executive director and clerical	36,384	36,335	29,900
Insurance	490	438	526
Meetings and memberships	500	715	792
Miscellaneous	-	356	575
Office supplies	900	2,134	3,079
Rent	1,800	1,863	1,770
Telephone	1,020	1,170	2,086
Travel	500	468	415
	$43,144	$ 44,770	$ 40,893
PROMOTION			
Autofest	8,000	8,000	3,782
Billboards	6,000	3,985	-
Christmas - advertising	3,380	5,616	9,651
- music	1,000	1,000	1,000
- parade	4,000	2,960	4,000
- lights	2,400	1,985	2,554
Fall	1,850	1,837	-
Highland Games	-	-	4,333
Institutional	-	-	4,271
Miscellaneous	-	1,767	-
Name the lot	-	-	540
Salute to Michigan	-	-	3,071
Seaway Days	6,000	10,793	15,079
Spring	2,150	6,273	1,188
Taste of Downtown	-	-	2,452
Winners	800	-	-
	$35,580	$ 44,216	$ 51,921
PROJECTS			
City maintenance	$ 4,000	$ 3,330	$ 4,703
Experience programs	-	579	450
Flags	2,000	1,604	1,839
Lochiel Street	-	-	624
New Facades	900	906	-
Parkway Parking lot	1,000	-	-
Retail Market Study	10,000	7,000	-
Seaway Six program	-	-	(97)
	$17,900	$ 13,419	$ 7,519

Deloitte
Haskins + Sells

Chartered Accountants

301 Front Street North
Sarnia, Ontario N7T 5S6
(519) 336-6133

To the Chairman and Members of the
Huron View Park Committee of the
Corporation of the City of Sarnia:

We have examined the balance sheet of the Huron View Park Committee of the Corporation of the City of Sarnia as at December 31, 1985 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Committee as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Deloitte Haskins & Sells

Auditors

May 6, 1986
Licence #1113

CORPORATION OF THE CITY OF SARNIA

HURON VIEW PARK COMMITTEE

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
ACCUMULATED NET DEFICIT, BEGINNING OF YEAR	$ -	$ 1,017	$ 1,017
REVENUE			
Grants - Corporation of the City of Sarnia	57,283	46,372	6,512
- Corporation of the Township of Sarnia	28,642	23,186	3,256
Sundry	2,175	2,195	2,175
	88,100	71,753	11,943
EXPENDITURE			
Operations and maintenance	13,100	9,960	11,943
Erosion control	75,000	61,793	-
	88,100	71,753	11,943
ACCUMULATED NET DEFICIT, END OF YEAR	$ -	$ 1,017	$ 1,017

CORPORATION OF THE CITY OF SARNIA

HURON VIEW PARK COMMITTEE

BALANCE SHEET

DECEMBER 31, 1985

	1985	1984
ASSET	$ -	$ -
LIABILITY		
Due to revenue fund - Corporation of the City of Sarnia	$ 1,017	$ 1,017
ACCUMULATED NET DEFICIT	(1,017)	(1,017)
	$ -	$ -

CORPORATION OF THE CITY OF SARNIA

HURON VIEW PARK COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. OPERATION AGREEMENT

The municipalities of the Corporation of the City of Sarnia and the Corporation of the Township of Sarnia entered into an agreement for the operation of Huron View Park as a day park for 1985. The revenue and expenditure are shared on the basis of the ratio of the Corporation of the City of Sarnia, 2/3, and the Corporation of the Township of Sarnia, 1/3.

2. SUBSEQUENT EVENT

The municipalities of the Corporation of the City of Sarnia and the Corporation of the Township of Sarnia have not reached an agreement regarding the continued operation of the park.

3. CONTRACTUAL OBLIGATION

As at December 31, 1985 a contract for the construction of erosion control at Huron View Park was partially completed. The contractual obligation with respect to this project as at December 31, 1985 is as follows:

Estimated tender and engineering costs	$110,000
Billed to December 31, 1985	51,702
Value of outstanding work	$ 58,298

The financing of this project is shared on the basis of 2/3 for the Corporation of the City of Sarnia and 1/3 for the Corporation of the Township of Sarnia.

Deloitte
Haskins + Sells

Chartered Accountants

301 Front Street North
Sarnia, Ontario N7T 5S6
(519) 336-6133

To the Board of Management of the
Sarnia Northgate Business Improvement Area:

We have examined the balance sheet of the Sarnia Northgate Business Improvement Area as at December 31, 1985 and the statements of revenue and expenditure for the period from the commencement of operations, January 16, 1985 to December 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Sarnia Northgate Business Improvement Area as at December 31, 1985 and the results of its operations for the period then ended in accordance with the accounting principles set out in the notes to the financial statements.

Deloitte Haskins + Sells

Auditors
March 3, 1986
Licence #1113

SARNIA NORTHGATE BUSINESS IMPROVEMENT AREA

STATEMENT OF REVENUE AND EXPENDITURE

PERIOD FROM THE COMMENCEMENT OF OPERATIONS

JANUARY 16, 1985 TO DECEMBER 31, 1985

	Budget	Actual
REVENUE		
Special tax levied	$30,000	$30,006
Interest	-	232
Donation (Note 1)	-	707
	30,000	30,945
EXPENDITURE - Schedule 1		
Administration	11,350	8,183
Promotion	11,150	22,712
Capital	5,500	363
Contingency	2,000	-
	30,000	31,258
EXCESS OF EXPENDITURE OVER REVENUE AND DEFICIT, END OF PERIOD	$ -	$ 313

The accompanying notes are an integral part of this financial statement.

SARNIA NORTHGATE BUSINESS IMPROVEMENT AREA

BALANCE SHEET

DECEMBER 31, 1985

ASSETS

CURRENT ASSETS	
Cash	$3,727
Prepaid expenses	21
	$3,748

LIABILITY AND DEFICIT

CURRENT LIABILITY	
Accounts payable and accrued charges	$4,061
DEFICIT	313
	$3,748

The accompanying notes are an integral part of this financial statement.

SARNIA NORTHGATE BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. ORGANIZATION

The Business Improvement Area was established on January 16, 1985 pursuant to By-Law 8857 of the City of Sarnia. It derives substantially all of its funding from a special tax levied by the City on businesses within the designated area.

Immediately following its establishment, a predecessor organization, the Northgate Merchants' Association, transferred its net assets amounting to $707 to the Business Improvement Area.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles considered appropriate for boards of Ontario municipalities. Such accounting principles are similar to accounting principles for Ontario municipalities as prescribed by the Minister of Municipal Affairs, Ontario. The accounting principles include the following:

Basis of accounting

These financial statements are prepared using the accrual basis of accounting. Revenues are recognized as they become available and measurable and expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Equipment

Purchases of equipment are charged as an expenditure in the year of acquisition.

SCHEDULE 1

SARNIA NORTHGATE BUSINESS IMPROVEMENT AREA

SCHEDULE OF EXPENDITURE

PERIOD FROM COMMENCEMENT OF OPERATIONS

JANUARY 16, 1985 TO DECEMBER 31, 1985

	Budget	Actual
ADMINISTRATION		
Audit	$ 400	$ 500
Insurance	1,000	229
Memberships and conferences	350	250
Office supplies	1,000	916
Rent	1,200	870
Telephone	1,000	483
Travel and gas	200	29
Uncollectable levies	-	160
Wages	6,200	4,746
	11,350	8,183
PROMOTION		
Care Bear		1,146
Carnival Days		1,402
Christmas		10,383
General promotion		2,104
Halloween		580
Northgate Days		1,163
Northgate jingle		2,530
Shopper Stoppers		3,404
	11,150	22,712
CAPITAL - office equipment	5,500	363
CONTINGENCY	2,000	-
	$30,000	$31,258

Deloitte
Haskins+Sells

Chartered Accountants

301 Front Street North
Sarnia, Ontario N7T 5S6
(519) 336-6133

To the Commissioners of
The Hydro-Electric Commission of the City of Sarnia:

We have examined the balance sheet of The Hydro-Electric Commission of the City of Sarnia as at December 31, 1985 and the statements of operations, equity and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

As outlined in Note 2 to the financial statements, the amount of revenue included in income for the period between the last billing date and the end of the fiscal year is inadequate for both 1985 and prior years. In this respect the financial statements are not in accordance with accounting principles prescribed for municipal electrical commissions.

In our opinion, except for the effects of failing to recognize all unbilled revenue as described in the preceding paragraph and in Note 2 to the financial statements, these financial statements present fairly the financial position of The Hydro-Electric Commission of the City of Sarnia as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles prescribed for Ontario Hydro Electric Commissions applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Auditors

April 25, 1986
Licence #1113

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF SARNIA

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
REVENUE		
Revenue from sale of electrical energy		
Residential	$ 7,115,378	$ 6,493,479
Commercial (Note 2)	15,054,709	16,181,277
Sale to own municipality - street lighting	297,125	281,074
	22,467,212	22,955,830
Other revenue		
Merchandise sales	365,646	345,233
Servicing to customers' installations	140,536	142,518
Rental - water heaters, premises, meters and feeders	46,832	50,646
Interest, discounts and commissions earned	109,499	117,409
Occupancy charges	15,605	14,225
Late payment charges	89,958	91,149
	768,076	761,180
TOTAL REVENUE	23,235,288	23,717,010
EXPENDITURE		
Operating expenditure		
Electrical energy purchased	19,428,180	19,464,222
Customers' billings and collections	547,202	528,570
Administrative and general	552,119	490,046
Transmission and transformation	420,952	380,239
Distribution system	1,157,630	1,275,874
	22,106,083	22,138,951
Other expenditure		
Cost of merchandise sales	386,414	349,965
Cost of servicing customers' installations	195,394	197,598
Interest	76,593	81,277
Depreciation		
Building and distribution system	543,802	524,174
Debenture debt charges - interest	54,749	52,612
	1,256,952	1,205,626
TOTAL EXPENDITURE	23,363,035	23,344,577
OPERATING (LOSS) INCOME	(127,747)	372,433
OTHER INCOME (EXPENSE)		
Gain (loss) on disposal of equipment	12,367	(3,963)
NET (LOSS) INCOME	$ (115,380)	$ 368,470

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF SARNIA

STATEMENTS OF EQUITY

YEAR ENDED DECEMBER 31, 1985

	1985	1984
ACCUMULATED NET INCOME		
BALANCE, BEGINNING OF YEAR	$7,770,386	$7,433,716
Net (loss) income	(115,380)	368,470
Principal portion of debentures repaid during the year	(35,900)	(31,800)
BALANCE, END OF YEAR (Note 2)	$7,619,106	$7,770,386
DEBT RETIREMENT		
BALANCE, BEGINNING OF YEAR	$1,646,306	$1,614,506
Principal portion of debentures repaid during the year	35,900	31,800
BALANCE, END OF YEAR	$1,682,206	$1,646,306

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF SARNIA

BALANCE SHEET

DECEMBER 31, 1985

	1985	1984
ASSETS		
CURRENT ASSETS		
Cash	$ 1,389,420	$ 1,550,529
Accounts receivable (Notes 2 and 3)	2,787,575	2,551,739
Inventories (Note 4)	788,431	752,648
Prepaid expenses	25,151	36,337
	4,990,577	4,891,253
INSTALMENT RECEIVABLES, net of current portion	38,812	57,314
LAND, PLANT AND EQUIPMENT (Note 5)	7,642,096	7,246,750
OTHER ASSETS (Note 6)	661,255	718,821
	$13,332,740	$12,914,138
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	$ 2,048,104	$ 1,700,952
Accrued debenture interest charges	13,440	14,944
Current portion of deposits	84,034	70,020
Current portion of long-term debt (Note 9)	103,572	117,943
	2,249,150	1,903,859
DEPOSITS, net of current portion	149,932	126,519
CONTRIBUTIONS IN AID OF CONSTRUCTION AFTER JANUARY 1, 1980 (Note 7)	295,883	277,033
LONG-TERM DEBT (Note 9)	1,129,283	982,855
	3,824,248	3,290,266
EQUITY		
CONTRIBUTIONS IN AID OF CONSTRUCTION PRIOR TO JANUARY 1, 1980	207,180	207,180
ACCUMULATED NET INCOME (Note 2)	7,619,106	7,770,386
DEBT RETIREMENT	1,682,206	1,646,306
	9,508,492	9,623,872
	$13,332,740	$12,914,138

Approved by the Commission:

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THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF SARNIA

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1985

	1985	1984
SOURCES OF WORKING CAPITAL		
Provided from operations	$ 462,422	$ 941,997
Decrease in long-term portion of instalment receivables	18,502	-
Principal portion of past service pension costs	57,566	53,302
Proceeds from disposal of building and equipment	19,043	3,800
Increase in long-term portion of deposits	23,413	14,250
Contributions in aid of construction	28,058	102,121
Proceeds from issue of long-term debt	250,000	-
	859,004	1,115,470
USES OF WORKING CAPITAL		
Additions to property, plant and equipment	1,001,399	607,218
Principal repayment and increase in current portion of debenture debt	41,400	35,900
Current portion of obligation for past service pension costs	62,172	57,567
Principal repayments and increase in current portion of capitalized lease	-	24,474
Increase in long-term portion of instalment receivables	-	4,715
	1,104,971	729,875
(DECREASE) INCREASE IN WORKING CAPITAL	(245,967)	385,595
WORKING CAPITAL, BEGINNING OF YEAR	2,987,394	2,601,799
WORKING CAPITAL, END OF YEAR	$2,741,427	$2,987,394

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF SARNIA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by Ontario Hydro under the authority of section 96 of The Power Corporation Act and reflect the following policies as set forth in the manual "Accounting for Municipal Electrical Utilities in Ontario".

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis except for appliances which are valued on a specific item basis.

Land, plant and equipment

Land, plant and equipment are stated at cost. Buildings, transmission and distribution systems and equipment are depreciated on the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives. Leasehold improvements are amortized over the term of the lease.

Leased equipment

Leases of equipment taken on terms which transfer substantially all of the benefits and risks of ownership to the Commission, are accounted for as "capital leases", as though an asset had been purchased and a liability incurred.

Deferred past service pension costs

Deferred past service pension costs have been set up at the present value of the obligation incurred to purchase prior service pensions. The amount is being reduced by the principal portion of the annual payment required to fund such past service pension costs.

Contributions in aid of construction after January 1, 1980

Contributions in aid of construction received after January 1, 1980 are stated at cost and are being amortized using the same method and rate as used for the depreciation of the related plant or equipment.

2. DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The commission includes in "revenue from sale of electrical energy" on the statement of operations an estimate of the income earned during the period between the last billing date and the end of the fiscal year.

In 1985 and 1984 the estimate of unbilled revenue was inadequate as no estimate was included for certain of the regular commercial customers.

If the appropriate amount of revenue had been recognized in the accounts the effect would be to increase revenue by $59,024 and to increase accounts receivable and accumulated net revenue by $343,767.

3. ACCOUNTS RECEIVABLE

	1985	1984
Trade	$2,799,475	$2,528,784
Recoverable work	40,412	82,687
Other	-	11,082
	2,839,887	2,622,553
Long-term portion of instalment receivables	38,812	57,314
	2,801,075	2,565,239
Allowance for doubtful accounts	13,500	13,500
	$2,787,575	$2,551,739

4. INVENTORIES

	1985	1984
Line stores	$406,460	$401,447
Appliances	150,120	148,237
Meters	64,319	86,612
Transformers	119,583	69,697
Other	47,949	46,655
	$788,431	$752,648

5. LAND, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation and Amortization	Net Book Value	Depreciation and Amortization Rates
Land	$ 108,201	$ -	$ 108,201	
Buildings	1,186,975	304,174	882,801	1.67%
Transmission and distribution systems	12,667,823	6,524,869	6,142,954	2.5%-4.0%
Equipment	1,063,992	716,578	347,414	6.67%-25.0%
Leasehold improvements	211,637	52,907	158,730	5%
Construction in progress	1,996	-	1,996	
	$15,240,624	$7,598,528	$7,642,096	

Depreciation charged to operations in the current year amounted to $599,377 (1984 - $577,878).

6. OTHER ASSETS

	1985	1984
Deferred past service pension costs	$ 661,255	$ 718,821
Equity in Ontario Hydro	18,814,426	17,767,664
Reserve for equity in Ontario Hydro	(18,814,426)	(17,767,664)
	$ 661,255	$ 718,821

7. CONTRIBUTIONS IN AID OF CONSTRUCTION AFTER JANUARY 1, 1980

	Cost	Accumulated Amortization	Net Book Value	Amortization Rate
Contractors' contributions to service	$319,050	$23,167	$295,883	2.89%

The amount of amortization credited in 1985 is $9,208 (1984 - $8,314).

8. LEASE COMMITMENT

The Commission has a lease agreement for the rental of office space with a term to October 31, 2000. The lease provides an option for the Commission to terminate the agreement at October 31, 1990. The aggregate minimum annual rental under the terms of the lease is $73,040 for each of the years remaining. Additional amounts are payable monthly in respect of realty taxes and common area expenses.

9. LONG-TERM DEBT

	1985	1984
9% and 9½% debenture debt financed by the municipality, due in varying annual instalments to August 1, 1988	$ 49,000	$ 62,000
17½% debenture debt financed by the municipality, due in varying annual instalments to February 26, 1991	87,600	95,500
14% debenture debt financed by the municipality, due in in varying annual instalments to October 4, 1992	185,000	200,000
8% obligation for past service pension costs repayable in annual instalments of principal and interest of $115,072 to 1993	661,255	718,821
14% obligation under capital lease repayable in monthly instalments of principal and interest, due August, 1985	-	24,477
Advance from municipality, terms to be determined when debentures issued in 1986	250,000	-
	1,232,855	1,100,798
Current portion	103,572	117,943
	$1,129,283	$ 982,855

Amounts due in each of the next five years are as follows:

Year	Debenture Debt	Pension Costs	Total
1986	$41,400	$62,172	$103,572
1987	$47,000	$67,145	$114,145
1988	$53,900	$72,517	$126,417
1989	$40,200	$78,318	$118,518
1990	$47,000	$84,584	$131,584

Deloitte
Haskins + Sells

Chartered Accountants

301 Front Street North
Sarnia, Ontario N7T 5S6
(519) 336-6133

To the Members of the
Corporation of the City of Sarnia
General Hospital Commission:

We have examined the balance sheets of the Corporation of the City of Sarnia, General Hospital Commission as at March 31, 1985 and the statements of operations and unappropriated equity - revenue and capital funds, unappropriated equity - trust fund, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Auditors

June 6, 1985

CORPORATION OF THE CITY OF SARNIA

GENERAL HOSPITAL COMMISSION

STATEMENT OF OPERATIONS AND UNAPPROPRIATED EQUITY

YEAR ENDED MARCH 31, 1985

REVENUE AND CAPITAL FUNDS

	1985	1984
REVENUE		
Ministry of Health	$23,854,950	$22,106,334
In patient services	1,212,116	1,276,232
Out patient services	1,394,281	1,218,085
Other services	776,590	920,964
Donations, bequests and interest designated for capital purposes only	227,440	128,357
Gain on disposal of capital assets	200	30,467
	27,465,577	25,680,439
EXPENSES		
Salaries and wages		
Nursing services	8,721,388	7,883,956
Special services	4,132,210	3,667,849
Educational services	37,456	38,678
General services	2,831,501	2,851,507
	15,722,555	14,441,990
Other		
Nursing services	1,099,048	956,792
Special services	3,012,198	2,744,308
Educational services	6,018	4,657
General services	5,742,262	5,692,993
Depreciation	873,054	827,405
	10,732,580	10,226,155
	26,455,135	24,668,145
INCOME FROM OPERATIONS	1,010,442	1,012,294
RESERVE FOR FUTURE CONSTRUCTION (Note 5)	1,000,000	987,294
INCREASE IN UNAPPROPRIATED EQUITY	10,442	25,000
UNAPPROPRIATED EQUITY, BEGINNING OF YEAR	8,927,649	8,902,649
UNAPPROPRIATED EQUITY, END OF YEAR	$ 8,938,091	$ 8,927,649
CONSISTING OF:		
Revenue fund	$ 488,118	$ 477,676
Capital fund	8,449,973	8,449,973
	$ 8,938,091	$ 8,927,649

CORPORATION OF THE CITY OF SARNIA

GENERAL HOSPITAL COMMISSION

STATEMENT OF UNAPPROPRIATED EQUITY

YEAR ENDED MARCH 31, 1985

TRUST FUND

	1985	1984
UNAPPROPRIATED EQUITY, BEGINNING OF YEAR	$541,510	$428,133
Donations	44,463	62,939
Investment income	76,814	58,681
Municipal grant	5,780	6,130
	668,567	555,883
Withdrawals for education and equipment	7,358	14,373
UNAPPROPRIATED EQUITY, END OF YEAR	$661,209	$541,510

CORPORATION OF THE CITY OF

GENERAL HOSPITAL COMMI

BALANCE SHEET

MARCH 31, 1985

REVENUE AND CAPITAL FU

	1985	1984
ASSETS		
CURRENT ASSETS		
Cash	$ 880,214	$1,001,551
Short-term investments	1,461,630	1,679,304
Accounts receivable (Note 2)	2,140,979	2,001,153
Inventories	393,363	315,493
Prepaid expenses	112,841	101,281
Due from trust fund	-	4,182
	4,989,027	5,102,964
PROPERTY, PLANT AND EQUIPMENT (Note 3)	9,148,970	7,610,533
DEFERRED CHARGES	95,849	89,747
	$14,233,846	$12,803,244

TRUST FUND

CURRENT ASSETS		
Cash	$ 17,709	$ 3,655
Short-term investments	643,585	558,489
Accrued interest on investments	39,997	42,809
Due from capital fund	20,685	-
	$ 721,976	$ 604,953

Approved by the Board:

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CORPORATION OF THE CITY OF SARNIA

GENERAL HOSPITAL COMMISSION

BALANCE SHEET

MARCH 31, 1985

REVENUE AND CAPITAL FUNDS

1984		1985	1984
	LIABILITIES AND EQUITY		
	CURRENT LIABILITIES		
1,001,551	Accounts payable and accrued charges	$ 2,902,800	$2,879,051
1,679,304	Deferred income	9,250	9,250
2,001,153	Due to trust fund	20,685	-
315,493	Current portion of long-term debt (Note 4)	44,032	-
101,281			
4,182		2,976,767	2,888,301
5,102,964	LONG-TERM LIABILITIES (Note 4)	331,694	-
7,610,533		3,308,461	2,888,301
	EQUITY		
89,747	Appropriated		
	Reserve for future construction (Note 5)	1,987,294	987,294
	Unappropriated		
	Revenue fund	488,118	477,676
	Capital fund	8,449,973	8,449,973
		10,925,385	9,914,943
12,803,244		$14,233,846	$12,803,244

TRUST FUND

	CURRENT LIABILITIES		
3,655	Due to capital fund	$ -	$ 4,182
558,489	Safekeeping fund	1,506	-
42,809			
-	EQUITY		
	Non-expendable	59,261	59,261
	Unappropriated	661,209	541,510
604,953		$ 721,976	$ 604,953

CORPORATION OF THE CITY OF SARNIA

GENERAL HOSPITAL COMMISSION

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED MARCH 31, 1985

REVENUE AND CAPITAL FUNDS

	1985	1984
SOURCES OF WORKING CAPITAL		
Income from operations	$1,010,442	$1,012,294
Items not affecting working capital		
Depreciation	873,054	827,405
Amortization of deferred charges	47,925	-
	1,931,421	1,839,699
Proceeds from long term liabilities	396,683	
	2,328,104	1,839,699
USES OF WORKING CAPITAL		
Additions to buildings and equipment	2,411,491	1,130,008
Deferred charges	54,027	89,747
Repayment of and change in current portion of long-term liabilities	64,989	32,478
	2,530,507	1,252,233
(DECREASE) INCREASE IN WORKING CAPITAL	(202,403)	587,466
WORKING CAPITAL, BEGINNING OF YEAR	2,214,663	1,627,197
WORKING CAPITAL, END OF YEAR	$2,012,260	$2,214,663

CORPORATION OF THE CITY OF SARNIA

GENERAL HOSPITAL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles recommended by the Canadian Hospital Association, and reflect the following policies:

Short-term investments

Short-term investments are valued at cost which approximates market value.

Inventories

Inventories are valued at the lower of cost and replacement cost.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Buildings and equipment are depreciated on the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

Leased equipment

Leases of equipment with terms which transfer substantially all of the benefits and risks of ownership to the hospital are accounted for as "capital leases", as though an asset had been purchased and a liability incurred.

Deferred charges

The hospital defers the costs relating to the planning and implementation of major operational projects. These deferred charges are amortized on a straight-line basis over an appropriate number of years commencing in the year the respective projects become operational.

2. ACCOUNTS RECEIVABLE

	1985	1984
Amounts due on behalf of patients	$ 536,430	$ 559,774
Allowance for doubtful accounts	47,000	55,000
	489,430	504,774
Amount due from the Ministry of Health, Ontario for allowable costs	1,369,101	1,243,715
Other	282,448	252,664
	$2,140,979	$2,001,153

CORPORATION OF THE CITY OF SARNIA

GENERAL HOSPITAL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1985

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value	Depreciation Rates
Land	$ 266,417	$ -	$ 266,417	
Buildings and building service equipment	8,105,789	3,692,607	4,413,182	2-14%
Other equipment	5,761,464	3,168,002	2,593,462	5-25%
Construction in progress	1,567,578	-	1,567,578	
Equipment under capital lease	384,840	76,509	308,331	10-25%
	$16,086,088	$6,937,118	$9,148,970	

4. LONG-TERM LIABILITIES - CAPITAL LEASE OBLIGATIONS

90 month lease of telephone equipment commencing July, 1984 with monthly payments of $5,554 which approximates an annual interest rate of 15.9%	$273,579
40 month lease of word processing equipment commencing August,1984 with monthly payments of $599 which approximates an annual interest rate of 20%	14,765
42 month lease of dictating equipment commencing November, 1984 with monthly payments of $312 which approximates an annual interest rate of 12.7%	9,292
65 month lease of Xerox machine and related maintenance commencing November, 1984 with monthly payments of $1,866 which approximates an annual interest rate of 14.7%	78,090
	375,726
Current portion	44,032
	$331,694

Expenses include interest of $35,782 with respect to these obligations.

The leases for the telephone and Xerox equipment have variable interest rates which will be adjusted annually to the then prevailing market rates. In both cases the Hospital has the option at that time to convert to a fixed rate lease at a higher interest rate.

4. LONG-TERM LIABILITIES - CAPITAL LEASE OBLIGATIONS - continued

Lease payments are required as follows:

1985/1986	$ 99,972
1986/1987	99,972
1987/1988	97,575
1988/1989	89,042
1989/1990	87,176
1990/1991	66,648
1991/1992	44,432
	584,817
Financing charge	209,091
	$375,726

5. RESERVE FOR FUTURE CONSTRUCTION

	1985	1984
Balance, beginning of year	$ 987,294	$ -
Allocations from revenue and capital funds	1,000,000	987,294
Balance, end of year	$1,987,294	$ 987,294

6. CAPITAL COMMITMENTS

The hospital is committed to the following capital projects.

	Total Cost	Unspent Balance
Purchase of CT Scanner	$1,200,000	$ 700,000
Upgrading of electrical system	$ 366,000	$ 359,000

It is the hospital's intention to fund both of these projects from working capital.